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**PUBLIC SERVICE
COMMISSION**

BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of

Application of Lake Forest Disposal
Systems, LLC for an Order Approving a
Transfer of Ownership and Control

No. 2004-00094

**Response to BWRA
Motion to Intervene, Request for Continuation,
and Request for Hearing**

Applicant Lake Forest Disposal Systems LLC ("Lake Forest") hereby responds in opposition to the Motion to Intervene, Request for Continuation, and Request for Hearing submitted by Beckley Woods Residents Association ("BWRA"), and states as follows:

1. On March 19, 2004, Lake Forest submitted to the Commission the Application initiating this proceeding, seeking any requisite approvals for the Proposed Transaction, a transfer of ownership and control of all the utility assets and liabilities of Lake Forest to the Louisville and Jefferson County Metropolitan Sewer District ("MSD"). The Application, which was accepted for filing as of March 19, 2004, requested that any necessary approval be granted within 60 days of filing.

2. Lake Forest served a copy of the Application on the Attorney General's Office of Rate Intervention ("the AG") on March 19, 2004. The AG moved for and was granted intervention, but notified the Commission that he neither requested a public hearing nor objected to the Proposed Transaction. In that Notice (at 1), the AG states: "The record supports the conclusion that [MSD] is ready, willing and able to continue to provide adequate service — that it has the financial, technical, and managerial abilities to provide reasonable service."

3. The Application had been in the public records of the Commission for more than 45 days when BWRA served its Motion. BWRA seeks a substantial delay in this proceeding without providing any reason for intervention or for an extension. The Commission may grant intervention only if the movant has a special interest in the proceeding not otherwise adequately represented or

the movant's participation is likely to present issues or develop facts that aid full consideration of the matter without unduly disrupting the proceedings. 807 KAR 5:001, Section 3(8).

4. The Movant is not properly identified (*see* 807 KAR 5:001, Section 3(8)) and has no apparent interest as a former, current, or future utility customer. Beckley Woods Residents Association is presented in the Motion as if it were an unincorporated association; as such, it would not be a juridical person entitled to participate in these proceedings. There is a similarly-named active Kentucky corporation — “Beckley Woods Residents Association, Inc.” — listed with the Secretary of State, but that is not the name given in the Motion. Furthermore, no address is given for the proposed intervenor. Finally, although BWRA conclusorily claims that “any proposed transfer of ownership and control will directly impact the BWRA,” it does not allege that it is or will be a Lake Forest customer or is otherwise situated so as to be affected by the Commission's determination in this proceeding.

5. To the extent that BWRA seeks to represent the interests of its members who are Lake Forest customers, it cannot demonstrate that it (or any of its members) has an interest in this case that differs from the interests of Lake Forest's other customers (*e.g.*, in the Lake Forest neighborhood). The AG has been granted full intervention; he is charged with representing the interests of utility consumers and there is no suggestion that he is doing an inadequate job of representing those interests in this case. *See* 8/13/03 Order, Case No. 2003-00266, at p.2 (denying intervention to an individual residential electric customer).

6. BWRA requests a hearing within the next 90 days to “address BWRA's concerns regarding the level of service and any subsequent rate changes to be proposed.” As explicitly stated in the Application (¶16), Lake Forest does not propose any change in its tariff due to the Agreement with MSD or the Proposed Transaction. Even if Lake Forest applied for a change in rates or service at some subsequent point, (a) it is unlikely that any rate increase could become effective before the date proposed for the transfer to MSD (1/1/05) and (b) concerns about any such application would be better addressed in that proceeding rather than as a hypothetical in this proceeding. Any concern about current levels of service provided by Lake Forest or the associated rate

should be addressed through the Commission's complaint procedures; it is not germane to a transfer proceeding inquiry about whether MSD has the financial, technical, and managerial abilities to provide reasonable service following the Proposed Transaction.

7. KRS 278.020(5) allows the Commission, if "it is necessary, for good cause shown, to continue the application for up to sixty (60) additional days." Nearly at the end of the initial 60-day period, BWRA seeks an extension almost twice as long, "unduly complicating or disrupting the proceedings." It has shown neither that an extension is necessary nor good cause for a hearing or any delay.

8. If the Commission does not deny outright BWRA's requests for intervention and delay, Lake Forest suggests that an informal conference be held as soon as possible — at the Commission's offices or via telephone — to discuss the issues BWRA has and then determine whether those issues are relevant to the Commission's consideration of the Application and, if so, whether there are any factual disputes or other reason to hold a hearing.

WHEREFORE, Applicant Lake Forest requests that the Commission deny the BWRA Motion in its entirety and proceed with entering a timely final Order in this proceeding.

Respectfully submitted,

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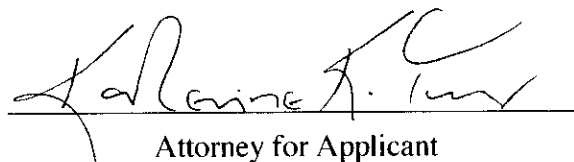
ATTORNEYS FOR APPLICANT

CERTIFICATE OF FILING AND MAILING

I hereby certify that on the 11th day of May 2004, the original and ten (10) copies of this Joint Application were hand delivered to Thomas M. Dorman, Executive Director, Public Service Commission, 211 Sower Blvd., Frankfort, KY 40602 and that a copy was sent, via U.S. Mail, to:

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